

Message Text

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C O N F I D E N T I A L SOFIA 0906

E.O. 11652: GDS

TAGS: PFOR, CGEN, EEWT, BU

SUBJECT: DETENTION OF ABBOTT LABORATORIES EMPLOYEE

REFS: A) STATE 102961; B) STATE 105505

1. FOLLOWING PULLS TOGETHER WHAT WE KNOW OF THE ISPENTCHIAN CASE. INFORMATION WAS PROVIDED BY US EMPLOYEES OF ABBOTT LABS CARL A. SHELTON, AGRICULTURAL AND VETERINARY PRODUCTS DIVISION, AND CHARLES L. BOLSTER, DIRECTOR OF MARKETING AND SALES, TO EMBOFFS AT VARIOUS TIMES.

2. HAGOP S. ISPENTCHIAN, LEBANESE CITIZEN (REFTEL A), HAS REPRESENTED ABBOTT LABS IN BULGARIA FOR SEVERAL YEARS. ON PENULTIMATE VISIT TO SOFIA, ISPENTCHIAN WAS DETAINED BY BULGARIAN POLICE IN CONNECTION WITH INVESTIGATION OF BULGARIAN FOREIGN TRADE ORGANIZATION (PHARMACHIM) EMPLOYEE CHARGED WITH POSSESSING FOREIGN CURRENCY AND PRESUMABLY TAKING BRIBES FROM WESTERN BUSINESSMEN. ISPENTCHIAN WAS QUESTIONED FOR FOUR DAYS REGARDING POSSIBLE ABBOTT INVOLVEMENT, THEN RELEASED WITH APOLOGY BUT WITH PROVISIO THAT HE PROVIDE COPIES OF ABBOTT INVOICES WHICH WERE MISSING FROM BULGARIAN FILES. HE SUBSEQUENTLY SUPPLIED THE INVOICES.

3. BELIEVING ALL WAS IN ORDER, ISPENTCHIAN RETURNED TO
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SOFIA WITH SHELTON AND BOLSTER LAST MONTH TO NEGOTIATE

CONTRACT FOR LICENSING AN ORGANIC PESTICIDE. ON APRIL 25 HE WAS AGAIN PLACED UNDER "HOTEL ARREST" AND QUESTIONED DAILY ON DEALINGS WITH ABOVE MENTIONED PHARMACHIM EMPLOYEE. POLICE WANTED ISPENTCHIAN TO PROVIDE THEM WITH FIGURES ON ILLEGAL PERSONAL COMMISSIONS ISPENTCHIAN OR ABBOTT LABS MIGHT HAVE PAID PHARMACHIM EMPLOYEE. SUBSEQUENTLY SHELTON WAS TOLD BULGARIANS HAVE ENOUGH OF A CASE TO PROSECUTE AND CONVICT ISPENTCHIAN FOR PAYING ILLEGAL COMMISSIONS, BUT THAT ISPENTCHIAN WOULD HAVE NO PROBLEMS IF ABBOTT WOULD PROVIDE RECORDS SHOWING ILLEGAL COMMISSIONS. SHELTON REPLIED NO SUCH RECORDS EXISTED BECAUSE ABBOTT DID NOT ENGAGE IN ILLEGAL BUSINESS. THIS CONCLUDES INFORMATION PROVIDED BY SHELTON AND BOLSTER.

4. SHELTON AND BOLSTER CAME TO EMBASSY APRIL 25 AND DISCUSSED SITUATION WITH POLITICAL/ECONOMIC OFFICER WHO WAS ALSO ACTING CONSULAR OFFICER AT THAT TIME. IT WAS EXPLAINED TO THEM (AND SUBSEQUENTLY REITERATED BY CONSULAR OFFICER) THAT EMBASSY COULD NOT TAKE OFFICIAL ACTION ON ISPENTCHIAN'S BEHALF BECAUSE HE WAS NOT US CITIZEN, BUT EMBASSY'S ASSISTANCE IN OTHER WAYS WAS OFFERED. SHELTON AND BOLSTER WERE ASKED TO KEEP IN CLOSE CONTACT WITH EMBASSY, ESPECIALLY IF IT APPEARED ANY ATTEMPT WAS BEING MADE TO IMPLICATE THEM PERSONALLY. SUBSEQUENTLY EMBASSY PROVIDED THEM WITH NAME AND TELEPHONE NUMBERS OF EMBASSY LEGAL CONSULTANT (WHO SHELTON LATER SAID WAS MOST HELPFUL IN CLARIFYING LEGAL SITUATION) AND, AFTER DETERMINING THERE WAS NO LEBANESE INTEREST SECTION IN SOFIA, WITH NAME AND ADDRESS OF LEBANESE AMBASSADOR RESIDENT IN BELGRADE. EMBASSY FURTHER HELPED IN MAINTAINING COMMUNICATIONS BETWEEN SHELTON AND BOLSTER AFTER LATTER RETURNED TO BRUSSELS TO ARRANGE MATTERS THERE. EMBASSY KEPT CLOSE TOUCH WITH SHELTON INCLUDING MAKING REPEATED ATTEMPTS TO CONTACT HIM DURING ONE PERIOD WHEN THERE WAS NOT THE EXPECTED COMMUNICATION. SHELTON SEEMED QUITE APPRECIATIVE THAT EMBASSY WAS SUFFICIENTLY CONCERNED TO FOLLOW UP ON HIS WELFARE.

5. SHELTON LEFT SOFIA FOR ATHENS APRIL 30. HE STATED
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THAT HE OR SOME OTHER REPRESENTATIVE OF ABBOTT LABS WOULD RETURN TO ASSIST ISPENTCHIAN AND THAT REPRESENTATIVE WOULD CHECK IN WITH EMBASSY AS SOON AS HE ENTERED BULGARIA. SINCE THEN THERE HAS BEEN NO FURTHER CONTACT WITH EMBASSY BY ABBOTT LABS NOR HAS THERE BEEN ANY BY LEBANESE REPRESENTATIVES WHO WERE REPORTEDLY COMING TO BULGARIA. EMBASSY HAS NO FURTHER INFORMATION ON STATUS OF ISPENTCHIAN OR BULGARIAN INVESTIGATION.

6. COMMENT: BULGARIAN TREATMENT OF ISPENTCHIAN AND ABBOTT LABS NOT UNIQUE. REPRESENTATIVE OF WEST GERMAN FIRM WAS DETAINED IN BULGARIA FOR OVER A MONTH IN SIMILAR CASE, BUT WAS SUBSEQUENTLY ALLOWED TO LEAVE, APPARENTLY AFTER FIRM PROVIDED CERTAIN RECORDS BULGARIAN POLICE WANTED. PRESS QUITE REGULARLY REPORTS PROSECUTIONS OF BULGARIAN OFFICIALS FOR ACCEPTING MONEY OR OTHER FAVORS FROM WESTERN BUSINESSMEN IN RETURN FOR INSIDE INFORMATION OR PREFERENTIAL TREATMENT IN COMMERCIAL MATTERS. THOSE OFFICIALS AND SOMETIMES ALSO THE BUSINESSMEN HAVE RECEIVED SEVERE PRISON SENTENCES, AND HEAVY FINES WERE ALSO IMPOSED. DETERRENT EFFECT ON BOTH BULGARIAN OFFICIALS AND WESTERN BUSINESSMEN IS PATENTLY INTENDED.

7. DETERRENT EFFECT ALSO FELT ON TRADE DEVELOPMENT. IN ABBOTT CASE, SHELTON REPORTEDLY WAS PREPARED TO TELL PHARMACHIM THAT NEGOTIATIONS WERE IN SERIOUS JEOPARDY BECAUSE ABBOTT COULD NOT TAKE RISK OF EXPOSING ITS REPRESENTATIVES TO HARASSMENT AND ARREST EVERY TIME THEY VISITED BULGARIA ON BUSINESS. EMBOFF RAISED ABBOT CASE WITH CHIEF OF DEVELOPED CAPITALIST COUNTRIES DEPARTMENT OF MINISTRY OF FOREIGN TRADE FROM STANDPOINT OF HARMFUL EFFECT ON BUSINESS RELATIONS. OBVIOUSLY EMBARRASSED, LATTER SAID HE WAS NOT FAMILIAR WITH CASE BUT IN ANY EVENT NOT MATTER HANDLED BY HIS MINISTRY. HERZ

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